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DE RUEHBK #1150/01 1311037
ZNR UUUUU ZZH
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FM AMEMBASSY BANGKOK
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6974
INFO RUCPDO/DEPT OF COMMERCE WASHDC IMMEDIATE
RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC IMMEDIATE
RUEATRS/DEPT OF TREASURY WASHINGTON DC IMMEDIATE
RUEHXS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS IMMEDIATE
RUEHCHI/AMCONSUL CHIANG MAI IMMEDIATE 6536

UNCLAS SECTION 01 OF 02 BANGKOK 001150

STATE FOR EAP/MLS, EEB
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SUBJECT: THAILAND NAMES NEW TRADE REPRESENTATIVE

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11. (SBU) Summary: The Thai Cabinet approved May 6 the appointment of former Democrat Party parliamentarian Kiat Sittheeamorn as the Royal Thai Government's (RTG) new trade representative, a position resurrected from the Thaksin years. At a higher rank than former Prime Minister Thaksin's trade representative, Kiat will hold the equivalent of a Deputy Prime Minister position and will oversee all trade-related aspects of the Abhisit administration's economic policies. He likely will lead future negotiations of any trade and investment agreements that the RTG pursues. Perhaps a more difficult challenge for Kiat will be coordinating the government's trade policies at the Ministries of Commerce, Agriculture, Information and Communication Technology, Finance, Foreign Affairs, and Industry. Specific details on the composition of Kiat's office and how he will interact with the other trade-related government ministries remain unclear at this point. We will report septel as the office takes shape. End Summary.

A Resurrected Position, But With More Power

12. (SBU) The Cabinet approved the creation of the office of the Thailand Trade Representative (TTR) on January 20, 2009; however, due to differences of opinion within the Cabinet, it took almost four months to push through Kiat Sittheeamorn's appointment as the Chairman of the TTR, formally approved on May 6.

13. (SBU) Kiat had served as the Democrat Party's "shadow commerce minister" in the opposition prior to the election of Prime Minister Abhisit in December 2008. To Kiat's surprise however, he did not receive the real job of Commerce Minister during the political wrangling that formed the coalition government. In what was believed to be a last-minute deal to secure support for Abhisit as Prime Minister, the Democrats surrendered the Commerce Ministry to their coalition partners, leaving Kiat without a job. However, he quickly maneuvered and convinced Abhisit to create another Cabinet-level position for him, in which he would oversee trade matters.

14. (SBU) The new office of the Thailand Trade Representative will consist of a chairman (Kiat) and four other senior representatives that will be appointed by the Prime Minister at a later date. The chairman will be equivalent in rank to a Deputy Prime Minister and will report directly to the Prime Minister. Modeled somewhat after the U.S. Trade Representative, the TTR will coordinate and oversee the trade-related policies of the Ministries of Commerce, Agriculture, Information and Communication Technology, Finance, Foreign Affairs, Industry, and any other trade-related agencies. The TTR will also oversee any trade negotiations that the government pursues.

¶5. (SBU) Note: Former Prime Minister Thaksin Shinawatra created a trade representative position early in his administration. The position was essentially subservient to the Commerce Minister and focused on trade promotions rather than trade negotiations. Thaksin's TTR was eliminated in March 2007 when then Commerce Minister Krirkkrai Jirapaet successfully argued that the duties and responsibilities of the trade representative's office were duplicative of those of his ministry. End Note.

Comment: Kiat's Views on Trade

¶6. (SBU) Comment: In several conversations between Emboffs and Kiat over the past few months, Kiat has candidly shared his views on trade. He speaks enthusiastically about taking on this new position and hopes to articulate a clear trade policy on behalf of the Abhisit administration. Kiat believes that open markets and free trade are an ideal, but that -- unfortunately -- the ideal is often unattainable. He has argued that special interest groups work with sympathetic governments to enact a plethora of trade rules and regulations on their behalf; if politicians do not fight hard for the regulations that will benefit their domestic special interests, the country will quickly lose out in the global economy. He supports compensating domestic groups who are disadvantaged in trade deals as an important goal of trade negotiations. He also often talks about how, in his view, Thaksin managed Thailand's trade policy for personal gain, rather than for the benefit of Thailand.

¶7. (SBU) Kiat tends to be leery of multilateral investment agreements, believing that bilateral trade agreements already take enough economic policy tools away from government. If investment policy prerogatives were to be negotiated away as well, he has suggested that a government would be left with nothing with which to

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shape its economic policy. However, he has expressed interest in the possibility of a wider East Asia trade agreement (consisting of ASEAN member nations plus China, Japan, and South Korea). When discussing US trade issues, he has commented on how, in his opinion, U.S. anti-dumping laws violate basic legal norms, since anti-dumping mechanisms are punishments based on presumptive guilt, rather than proven wrongdoing. End Comment.

Biographic Notes

¶8. (SBU) Born September 26, 1959, Kiat Sitheeamorn holds a bachelor's degree in engineering from Chulalongkorn University, a Master's in International Affairs from the Fletcher School at Tufts University, and a Certificate in Business Management from the Harvard Business School. A former member of parliament, Kiat served as the Democrat Party's "shadow commerce minister" in 2007 and 2008. Before entering politics, Kiat was a prominent Thai businessman and the managing director of several international trading companies. While in the private sector, he held numerous business advocacy positions including Chairman of the International Chamber of Commerce of Thailand, the Deputy Secretary General of the Board of Trade of Thailand, and Director of Thai Chamber of Commerce. A member of the Democrat Party, Kiat was elected to Parliament in February 2005, and while in office, he actively participated in the parliamentary discussions on the Thailand-US Free Trade Agreement negotiations, as well as other free trade agreement discussions. Kiat is very vocal on international trade issues and speaks regularly at business associations and universities about his views on Thailand's trade policies. Kiat speaks English fluently. He is divorced and has two children.

JOHN